



MEMORANDUM

TO: CITY COUNCIL

FROM: BILL ROBESON, PUBLIC WORKS DIRECTOR

BY: JILL MCPEEK, CAPITAL IMPROVEMENT PROJECT MANAGER

SUBJECT: CONSIDERATION OF AN AWARD OF CONTRACT TO RK&G CONSTRUCTION INC. FOR CONSTRUCTION OF THE CITY OF ARROYO GRANDE AND WOMAN'S CLUB COMMUNITY CENTER SITE ACCESSIBILITY IMPROVEMENTS PROJECT, PW 2016-10

DATE: NOVEMBER 28, 2017

SUMMARY OF ACTION:

Take action to award a construction contract to improve accessibility for disabled users of the City of Arroyo Grande and Woman's Club Community Center. It is anticipated that work will be accomplished between January and April of 2018.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The Capital Improvement Program Budget includes \$62,251 of 2016 Community Development Block Grant (CDBG) funds for the project. The total cost for the proposed project is estimated at \$99,618. Staff is recommending that funds be reallocated from a previously approved capital improvement project that is being deferred a year. Approximately forty hours of staff time will be necessary to provide oversight during project construction.

RECOMMENDATION:

It is recommended the City Council:

1. Award a contract for the City of Arroyo Grande and Woman's Club Community Center Site Accessibility Improvements Project to RK&G Construction Inc. in the amount of \$72,289.40;
2. Authorize the City Manager to approve change orders for 10% of the contract amount, \$7,228.94, for unanticipated costs during the construction phase of the project (total construction costs = \$72,289.40+ \$7,228.94 = \$79,518.34)
3. Reallocate \$37,466 of Local Sales Tax Funds from the Alpine Street Overlay Improvement project to cover the subject project expenses.

CITY COUNCIL

**CONSIDERATION OF AN AWARD OF CONTRACT TO RK&G CONSTRUCTION INC.
FOR CONSTRUCTION OF THE CITY OF ARROYO GRANDE AND WOMAN'S CLUB
COMMUNITY CENTER SITE ACCESSIBILITY IMPROVEMENTS PROJECT, PW**

2016-10

NOVEMBER 28, 2017

PAGE 2

BACKGROUND:

The City of Arroyo Grande and Woman's Club Community Center building, located at 211 Vernon Street, serves as a social hall and meeting room rental facility for the City of Arroyo Grande. The exterior area includes a patio, barbeque pit and facility parking lot. Due to its age, the building as currently configured has existing architectural barriers that impede some facility users from easily accessing certain areas of the facility. In response to this situation, the Council approved the use of Year 2016 CDBG funds to remove some of these existing architectural barriers.

On February 14, 2017, the Council approved an agreement for design services with Harris Architecture & Design. On February 28, 2017, a design kick-off meeting was held with the architect and the stakeholder's group which consisted of representatives from the City of Arroyo Grande, the Woman's Club of Arroyo Grande, and the Arroyo Grande Lion's Club. At this meeting, the proposed barrier removals were presented to the group. On August 9, 2017, a barrier removal plan which consists of construction of a new accessible ramp and landing for two of the doors leading to the exterior patio, and a new accessible path of travel from the rear of the building to a new accessible parking space in the lower parking lot, were presented to and accepted by the stakeholder's group.

The adopted Capital Improvement Program budget included \$73,559 of Local Use Sales Tax funds for the Alpine Street Overlay Improvement project. Subsequent to the adoption of the budget, it was determined that the Southern California Gas Company would be installing their pipeline safety enhancement project on Alpine Street, and pavement improvements on Alpine Street would be part of the project. Because the paving is to be accomplished by the Southern California Gas Company, it was recommended that the Local Use Sales Tax funds be used to correct a drainage issue on South Alpine Street at Eman Court. However, the drainage improvement cannot be accomplished before Southern California Gas Company initiates its work on South Alpine Street. Therefore, it is recommended that the drainage improvement project be deferred until next fiscal year and that the Local Use Sales Tax funds be reallocated to fully fund this City of Arroyo Grande and Woman's Club Community Center Barrier Removal Project.

ANALYSIS OF ISSUES:

On October 10, 2017, the Council approved the construction plans & specifications for the City of Arroyo Grande and Woman's Club Community Center Barrier Removal Project and authorized the advertisement for construction bids. The engineer's opinion of probable construction cost for the base bid was \$20,000. On October 26, 2017, City of Arroyo Grande and San Luis Obispo County staff held a non-mandatory on-site pre-bid meeting to ensure that all potential bidders understood both the project and the requirements of the CDBG funding.

**CITY COUNCIL
 CONSIDERATION OF AN AWARD OF CONTRACT TO RK&G CONSTRUCTION INC.
 FOR CONSTRUCTION OF THE CITY OF ARROYO GRANDE AND WOMAN'S CLUB
 COMMUNITY CENTER SITE ACCESSIBILITY IMPROVEMENTS PROJECT, PW
 2016-10
 NOVEMBER 28, 2017
 PAGE 3**

On November 7, 2017, five bids were received for the City of Arroyo Grande and Woman's Club Community Center Barrier Removal project. The apparent low bidder did not include a bid security equal to at least ten percent of the bid amount, inclusive of any additive Alternate Bid Item(s) and, therefore, was deemed non-responsive pursuant to Public Contract Code Section 20171. The second lowest bid by RK&G Construction Inc. has been determined to be responsive and the bidder to be responsible. The architect's opinion of probable construction cost is based on previous bids received. It is believed that the bids came in higher than anticipated due to higher than expected construction labor and material prices with the economy picking up significantly over the past couple of years. While higher than anticipated, the bid is a good and reasonable bid from a reputable company

Based on the base bid and the additive alternate, the total cost for the proposed project is estimated at \$99,618 and is proposed to be funded as follows:

REVENUE	
Community Development Block Grant (CDBG)	\$ 62,152
Local Use Sales Tax	37,466
TOTAL REVENUE	\$ 99,618
 EXPENDITURES	
Construction – Base Bid	\$ 14,127
Construction – Bid Additive Alternate	58,162
Construction Contingencies (10%)	7,229
Construction Mgt, Inspection, Advertisement	2,600
Materials Testing	5,000
Design	12,500
TOTAL EXPENDITURES	\$ 99,618

The County of San Luis Obispo's Planning and Building Departments, as the lead agency in administering the Housing and Urban Development (HUD) federal funds, has stated that it supports staff's recommendations for the follow reasons:

- The time that County staff has spent up to this point in developing the Action Plans, environmental review, and agreements for the Woman's Club Community Center and Santos Field Barrier Removal projects is in alignment with staff's recommendations.
- The projects would be funded as identified and submitted in the 2016 and 2017 Action Plans to HUD.

CITY COUNCIL

**CONSIDERATION OF AN AWARD OF CONTRACT TO RK&G CONSTRUCTION INC.
FOR CONSTRUCTION OF THE CITY OF ARROYO GRANDE AND WOMAN'S CLUB
COMMUNITY CENTER SITE ACCESSIBILITY IMPROVEMENTS PROJECT, PW
2016-10**

NOVEMBER 28, 2017

PAGE 4

- Staff's recommendations would exhaust CDBG funds for both 2016 and 2017 which assists the Urban County in meeting our timeliness goal.
- It is common for a local agency to contribute local funds to make a CDBG project whole.

The contract time is 120 calendar days with work expected to be accomplished between January and April of 2018. Recreational Services has modified its bookings for the use of the building during this time frame.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Approve staff's recommendations;
2. Do not approve staff's recommendations;
3. Approve the award of just the base bid construction contract and construction contingency in the amount of 20% and use the savings to reallocate \$14,567 of CDBG funds to the Santos Field Barrier Removal project, which is also underfunded and is under consideration at the same City Council meeting;
4. Reject all bids and direct staff to modify the project and solicit new bids; or
5. Provide direction to staff.

ADVANTAGES:

The project will improve the overall accessibility of the Community Center facility.

DISADVANTAGES:

There will be some disruption to the user groups during the construction period. Funds used to construct this project will be diverted from another budgeted project.

ENVIRONMENTAL REVIEW:

On October 10, 2017, the Council determined that the project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15301 and 15302 regarding existing facilities and replacement or reconstruction of existing facilities where the new facility will be located on the same site as the facility replaced, and the City Clerk filed a Notice of Exemption.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

Attachment:

1. Bid Opening Log Sheet



**CITY OF ARROYO GRANDE
BID OPENING LOG SHEET**

**DEADLINE: TUESDAY, NOVEMBER 7, 2017 – 11:00 AM
PROJECT NAME: CITY OF ARROYO GRANDE AND WOMEN'S CLUB
COMMUNITY CENTER SITE ACCESSIBILITY IMPROVEMENT PROJECT
PROJECT NO.: PW-2016-10
ESTIMATED CONSTRUCTION COST: \$20,000
ADDENDUM: #1 & #2**

<u>SUBMITTED BY:</u>	<u>BASE</u>	<u>ALT</u>	<u>TOTAL</u>
1. SW Construction Bakersfield, CA 93313	\$13,465.00	\$165,000.00	\$178,465.00
2. Sansone Company, Inc. San Luis Obispo, CA 93406	\$26,400.00	\$111,800.00	\$138,200.00
3. Diani Building Corp Santa Maria, CA 93458	\$23,000.00	\$69,000.00	\$92,000.00
4. RK&G Construction, Inc. Santa Maria, CA 93455	\$14,127.00	\$58,162.40	\$72,289.40
5. J & P Construction Santa Maria, CA 93455	\$20,583.00	\$113,766.00	\$134,349.00

Glenda Boner

Glenda Boner, Administrative Secretary

C: Director of Public Works
Capital Improvement Project Manager
City Manager
City Website

THIS PAGE INTENTIONALLY LEFT BLANK